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COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

AT RICHMOND, April 4, 2002

JOINT PETITION OF

CASE NO. PUA020003

WINSTAR WIRELESS OF VIRGINIA, LLC,

and

WINSTAR OF VIRGINIA, LLC

FOR APPROVAL OF TRANSFER OF ASSETS

ORDER GRANTING APPROVAL

On January 29, 2002, Winstar Wireless of Virginia, LLC, and Winstar of Virginia, LLC, completed an application filed with the State Corporation Commission (“Commission”) on January 22, 2002, requesting approval, pursuant to § 56-88.1 of the Code of Virginia (“Virginia Code”), of a transaction arising out of Old Winstar’s bankruptcy status.

Winstar of Virginia, LLC (“New Winstar”), is a limited liability company, organized in the state of Delaware, located in Newark, New Jersey. New Winstar is a direct subsidiary of Winstar Communications, LLC, a direct subsidiary of Winstar Holdings, LLC. New Winstar was formed specifically in conjunction with the proposed acquisition of the core domestic telecommunications assets of Winstar Communications, Inc. (“WCI”), and certain of its operating subsidiaries. New Winstar currently has an application for local exchange and interexchange telecommunications certification

pending before the Commission.¹ New Winstar does not currently own or lease facilities, and does not have any points of presence in Virginia at this time.

IDT Advanced Communication Services, LLC, a wholly owned subsidiary of IDT Corporation, owns 95 percent of Winstar Holdings, LLC. The remaining 5 percent is owned by the bankruptcy estate of Winstar Wireless of Virginia, LLC.

IDT Corporation, a Delaware corporation, is the ultimate parent corporation of New Winstar. IDT Corporation's principal business office is located in Newark, New Jersey. IDT Corporation is a provider of facilities-based and resold telecommunications services in the United States and abroad. IDT Corporation is authorized to provide resold interexchange telecommunications services in Virginia through its indirect subsidiary IDT America, Corp.

Winstar Wireless of Virginia, LLC ("Old Winstar"), is a limited liability company, organized in Delaware, located in Herndon, Virginia. Old Winstar is wholly owned by Winstar Wireless, Inc., which is wholly owned by WCI Capital Corp. WCI Capital Corp. is a direct, wholly owned subsidiary of WCI. Old Winstar holds certificates of public convenience and necessity to provide interexchange and local exchange services in Virginia.

WCI, organized in Delaware, is a publicly held corporation located in New York, New York. WCI's subsidiaries provide facilities-based and resale telecommunications services, private line and switched local and interexchange services throughout the United States utilizing a network of wireless and wireline facilities.

¹ On January 29, 2002, New Winstar filed an application with the Commission requesting certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services. The application was docketed as Case No. PUC020010. The application also requested interim operating authority to continue to provide service to the current customers of Old Winstar. By Order for Notice and Comment and Grant of Interim Operating Authority issued February 25, 2002, New Winstar was granted interim operating authority to operate and provide local exchange and interexchange services to Old Winstar existing customers under the tariffs of Old Winstar, pending the issuance of further Commission orders.

Under the proposed transaction, Winstar Holdings, LLC, will acquire the core domestic telecommunications assets of WCI and certain of its subsidiaries, and will operate these assets through certain newly formed subsidiaries. Under this transaction, New Winstar will acquire and operate all assets of Old Winstar in Virginia.

Winstar Holdings, LLC, entered into an Asset Purchase Agreement with WCI and its subsidiaries for the sale of the assets utilized by WCI's operating subsidiaries to operate its domestic telecommunications business. The Asset Purchase Agreement and the sale of the assets to New Winstar were approved by the Bankruptcy Court for the District of Delaware on December 19, 2001. In exchange for these assets, Winstar Holdings, LLC, provided the Old Winstar bankruptcy estate \$30 million in immediately available funds, IDT Corporation Class B common stock valued at \$12 million, and a 5 percent interest in Winstar Holdings, LLC.

New Winstar proposes to acquire the communications assets associated with Old Winstar's domestic facilities-based fixed wireless and leased wireline operations in Virginia, including the associated telecommunications equipment and existing customer base. As a result, direct ownership of Old Winstar's assets will shift from Winstar Wireless, Inc., to Winstar Communications, LLC, the parent of New Winstar. Ultimate ownership will shift from Winstar Communications, Inc., to IDT Corporation.

THE COMMISSION, upon consideration of the joint petition and representations made in the petition and having been advised by its Staff, is of the opinion and finds that the transaction, as described herein, involving the transfer of assets of Old Winstar to New Winstar will neither impair nor jeopardize the provision of adequate service to the public at just and reasonable rates and should, therefore, be approved.

Accordingly, IT IS ORDERED THAT:

- 1) Pursuant to §§ 56-88.1 and 56-90 of the Code of Virginia, approval is hereby granted for the transfer of assets from Old Winstar to New Winstar, as described herein.
- 2) There appearing nothing further to be done in this matter, it is hereby dismissed.